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June 3, 2004

Ms. Victoria J. Rutson
Chief, Section of Environmental Analysis
Room 504
Surface Transportation Board
1925 K Street, N.W.
Washington, D.C. 20006

RE: Finance Docket No. 34435, Ameren Energy Generating Company - Construction and
Operation Exemption - In Coffeen and Walshville, Illinois

Dear Ms. Rutson:

The Ameren Energy Generating Company (hereinafter "AEGC"), on behalf of a railroad to be formed which is now known as Coffeen and Western Railroad Company ("CWRC"), filed a petition on February 5, 2004 with the Surface Transportation Board ("Board"), seeking an exemption from the prior approval requirements of 49 U.S.C. § 10901 for the construction and operation of a rail line, approximately thirteen (13) miles in length, between Ameren's Coffeen Power Plant in the vicinity of Coffeen, Illinois to a connection with the Union Pacific Railroad ("UP") and a separate connection to the Burlington Northern Santa Fe Railway ("BNSF") both in the vicinity of Walshville, Illinois.

This letter is to request a waiver from the requirements of 49 C.F.R. § 1105.6(a). That section provides that "Environmental Impact Statements ["EIS"] will normally be prepared for rail construction proposals." CWRC hereby submits that an Environmental Assessment ("EA") is adequate to assess the impact of the proposed line construction on the environment. In support of this request, CWRC submits the following:

The Board approved and CWRC retained an independent third-party consultant, Dawkins Environmental Consultants, for this project. A meeting among CWRC's representatives and the Board's staff took place in Washington, D.C. on October 7, 2003. At this meeting, the Board's staff outlined the environmental review that would be necessary. CWRC representatives discussed proposed and preferred alternatives as well as the results of a preliminary environmental analysis. Since being approved, the third-party consultant has consulted with the Section of Environmental Analysis ("SEA") and will work under the direction and supervision of

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SEA in preparing the environmental document for this project. Pursuant to CWRC's request, SEA granted a waiver of the six-month prefilng notice required for construction projects on November 18, 2003.

On March 12, 2004, the SEA sent out agency consultation letters to various Federal and state agencies. Responses received to date have not identified any significant environmental issues with the proposed action.

On May 13, 2004, a site visit was undertaken and the proposed routes were physically inspected by Ms. Dawkins, the third party STB consultant retained for this project; by David Navecky of your staff; and by representatives of CWRC.

The Applicant is working with the Corps of Engineers to file and obtain a section 404 permit pursuant to the Clean Water Act. In connection with the review for a section 404 application, CWRC has undertaken and will continue to undertake to minimize any potential impact on wetlands, floodplains and associated natural resources. CWRC will coordinate with and abide by conditions determined by the Corps to be necessary. In addition, CWRC has initiated the process to obtain a 402 permit and 401 certification, as applicable.

Route A of the proposed line is to be located within a limited and defined geographic region of Montgomery County, Illinois. Proposed Route B is also in a limited and defined geographic area of Montgomery County and briefly enters Bond County, Illinois. Furthermore, the proposed operations on the line are limited in that the expected traffic on the line will be approximately four to five trains per week, which is less than one train per day.

Throughout the study of this project, CWRC has undertaken to minimize the potential environmental impacts of the proposed construction on the area. Consultation letter responses and other available data confirms that there are no endangered species along the route. The U.S. Fish and Wildlife letter noted that the Indiana Bat, a threatened species, exists in the project area. A review of the Fish & Wildlife records reveals that the Indiana Bat has been recorded in Bond County but not in Montgomery County. The project will only be present in Bond County for

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approximately 3000 feet if Route B is selected.¹ Furthermore, an on-site assessment of the wetlands impact is ongoing and any such impact will be negligible and/or mitigated so the impact is negligible. Further, pursuant to Section 106 of the Natural Resources Historic Preservation Act, a subcontractor will conduct a Phase I archaeological survey to ensure there are no prehistoric/historic archeological resources disturbed by the construction. CWRC is prepared to participate and assist in the Section 106 process.

The number of public road crossings, residences, schools and hospitals potentially impacted are either minimal or have been minimized. CWRC is working with the Illinois Commerce Commission with respect to the appropriate protection to be installed at any road crossings. Finally, CWRC is also in the process of making appropriate arrangements with pipeline owners to protect two small gas pipelines that will be crossed for the project.

CWRC believes that an EA, rather than an EIS, is the appropriate classification based upon the limited scope of the above-referenced project which entails approximately 13 miles of construction. An EA is sufficient in this proceeding under the standards of § 1105.6(d) because the proposed construction and operation of the new rail line is unlikely to have significant environmental impacts. Specifically, project information developed to date indicates that there are not likely to be any significant impacts to transportation systems, land use, energy, air quality, noise, safety, biological resources, surface or ground water resources, or cultural resources. Nor is it anticipated that there will be high or disproportionate impacts on minority or low-income populations based upon the review of existing demographic data for the region and site reconnaissance. An EA in this instance would be consistent with SEA's review of other construction cases of limited scope. *See, e.g., Entergy Arkansas – Construction and Operation Exemption – Between White Bluff and Pine Bluff, AR*, F.D. No. 33782 (STB served Sept. 28, 2001); *Pemiscot County Port Authority - Construction Exemption - Pemiscot County, MO*, F.D. No. 34117 (STB served Aug. 26, 2003); *Burlington Northern and Santa Fe Ry Company - Construction and Operation Exemption - Merced County, CA*, F.D. No. 34305 (STB served Mar. 3, 2004). Furthermore, CWRC acknowledges that the SEA can later require that an EIS be prepared if the EA does not result in a finding that the project will not have significant environmental impacts.

¹ CWRC will agree to mitigation activities proposed by the Fish and Wildlife Service for Indiana bats, including either limiting tree clearing activities to outside of the period between April 1 and September 30, or if clearing must occur during this window, CWRC will follow appropriate netting procedures to confirm the absence or presence of the Indiana bat in the project area within Bond County.

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Based upon the foregoing, CWRC respectfully submits that there is adequate justification for a waiver of the Board's requirement of an EIS. In lieu thereof, CWRC requests authorization to proceed with preparation of an EA for the proposed rail project.

If you have any questions regarding this request or need further information, please do not hesitate to call me at (202) 274-2959.

Sincerely,

Sandra L. Brown / RR

Sandra L. Brown

cc: Glennon P. Hof
Jo Carole Dawkins
David Navecky